

Multifamily and Small Business Loan Program Descriptions

Multifamily Loan Portfolio

1. **RHPP- Rental Housing Production Program**: This program is designed to be used in conjunction with tax-exempt, private, local and federal loans. The terms are structured to help make the development financially viable and affordable to low-income families. Loans may have terms ranging from 15 to 30 years, flexible interest rates, and deferred payments of principal or interest or both principal and interest. The maximum loan amount is \$1,000,000. New loans are no longer being made under this program.
2. **MHRP-Maryland Housing Rehabilitation Program**: The purpose of the Maryland Housing Rehabilitation Program was to preserve and improve existing multifamily rental housing and certain nonresidential properties in the State. The program was designed to allow borrowers to bring properties up to applicable building codes and standards. The interest rates for Nonresidential loans were a minimum of eight percent for profit motivated sponsors and six percent for nonprofit sponsors. Certain loans with high public benefit such as day care centers and food banks may have had interest rates below six percent. The maximum loan was \$1,000,000 and the maximum term was 30 years. New loans are no longer being made under this program.
3. **ERHP-Elderly Rental Housing Production Program**: This program provided below market rate or deferred payment loans to developers. The financing was to be used in conjunction with tax-exempt financing, private, local or federal loans. Interest rates could be as low as zero percent and payments of principle and interest could be deferred if required for project feasibility. The developers agreed to rent to income-eligible elderly tenants for the longer of 15 years or as long as the loan is outstanding. The maximum loan was \$1,000,000. New loans are no longer being made under this program.
4. **RHP - Rental Housing Program**: This program was created to replace RHPP, MHRP and ERHP and most often be used in conjunction with 9% Low Income Tax Credits. The terms are structured to help make the development financially viable and affordable to low-income families. Loans will generally have a term of 40 years, 2% simple interest, and payments limited to 75% of annual cash flow. The maximum loan amount is \$2,000,000 and DHCD reserves the right to adjust these loan terms based on its underwriting and subsidy layering reviews.
5. **RHW - Rental Housing Works**: The purpose of Rental Housing Works is to create jobs and strengthen the Maryland economy by providing gap financing for the creation and preservation of affordable rental housing financed through the Multifamily Bond Program and 4% Low Income Housing Tax Credits. Loans will be provided with a 40 year term and 2% simple interest. The maximum amount of the State loans per project is \$2.5 million. This limit does not apply to Partnership Rental Housing Program funds, Empower or other energy efficiency funding, or the assumption of existing department debt.
6. **PRHP-Partnership Rental Housing Program**: The purpose of the Partnership Rental Housing Program is to extend the supply of affordable housing for low-income households through a partnership between the State and local governments. Repayment of the loan is not required as long as the local government or housing authority continues to own the housing and rent it to income-eligible families. In most cases, the project is required to pay to the State the routine and usual escrows.
7. **NRP- Nonprofit Rehabilitation Program**: The purpose of the Nonprofit Rehabilitation Program is to provide low-interest mortgage loans to nonprofit organizations and local governments to rehabilitate rental housing for low-income households. The loan amount is based on costs, equity and amount of the debt that can be supported by the project. Interest rates can be as low as zero percent, and payments of principal and interest can be deferred.
8. **COLP- Construction Loan Program**: The Construction Loan Program was designed to provide construction financing to nonprofits and local governments to acquire, rehabilitate or construct affordable housing. Interest rates were set at levels which ensured a feasible project (maximum rate of 9 percent). No new loans are being made in this program.

9. **HELP- Home & Energy Loan Program**: this tax-exempt revenue bond funded program requires mortgage insurance through the Maryland Housing Fund. Almost all loans were second mortgages. No new loans are being made through this program and many will mature in the next few years.
10. **MAHF- Maryland Appalachian Housing Fund**: The Maryland Appalachian Housing Fund provided federally funded loans made by DHCD to affordable housing projects in the Appalachian region.
11. **SALT- State Action Loans for Targeted Areas**: A State funded program for business activity loans. No new loans are being made in this program.
12. **HCP- historic and Cultural Programs**: This State-funded program encourages the preservation of historic properties. Loans are made to non-profit organizations, local jurisdictions, business entities and individuals for the purpose of acquiring or rehabilitating properties listed in the Maryland Register of Historic Properties.
13. **GFP – Group Financing Program**: The purpose of the Group Home Program is to help qualified individuals, limited partnerships, and nonprofit organizations to construct or acquire a new group home or to acquire and modify existing project to serve as a group home or assisted living unit for eligible persons and households with special housing needs or to refinance mortgages on existing group homes. The Department uses both state funds from the Group Home Program (GHP) and the proceeds from the sale of tax exempt mortgage revenue bonds under the Special Housing Opportunities Program (SHOP) to fund these mortgages.
14. **SHOP – Special Housing Opportunities Program**: The purpose of the Special Housing Opportunities Program is to help non-profit organizations and local development agencies construct or acquire and modify existing housing to provide shelter and service to individuals with special housing needs. The program was designed to complement the Group Home Financing Program.
15. **Home Investment Partnerships Program**: The HOME Investment Partnerships (HOME) Program is a federal program which provides funds to the State and certain local governments to promote affordable housing activities.
16. **MEEHA - Multifamily Energy Efficiency and Housing Affordability**: The purpose of the MEEHA program is to increase energy efficiency of multifamily homes of low and moderate income households. MEEHA is part of the statewide EmPOWER energy efficiency program. The program is regulated by the Public Service Commission and is funded by the utility ratepayers. Only individually and mixed metered projects located in the service territories of BGE, Delmarva, Potomac Edison, PEPCO, and SEMCO are eligible for funding.
17. **OSCP – Office Space Conversion Program**: The Program is intended to assist in the revitalization of Maryland's downtowns by providing gap financing for the conversion of older office and commercial space into new, market rate housing.
18. **RELAP – Residential Lead Abatement Program**: The purpose of the Residential Lead Paint Abatement Program is to reduce instances of lead poisoning of children by financing the abatement of lead paint in residential buildings.

Small Business Loan Portfolio

1. **NBDP- Neighborhood Business Development Program**: NBDP also known as Neighborhood Business Works (NBW), is a program established to assist small businesses expanding or starting up in locally designated neighborhood revitalization areas throughout the state. The assistance is in the form of gap-financing providing direct low interest loans in partnership with the borrower, banks, and local municipalities or economic development corporations. The program is expanding state-wide to include Priority Funding Areas (PFA'S). The expansion is strategically focused upon strengthening the relationships between the State and the financial institutions throughout Maryland. Banks, CDFI's and other financial institutions will be able to strengthen and broaden their financial footprints by partnering with the NBW program. The program offers commercial mortgages, business loans and guaranty programs to encourage banks, other financial institutions and community organizations to rebuild and revitalize their communities by facilitating and promoting business growth and expansion through business lending. Interest rates, terms and loan amounts up to \$5 million are flexible to promote partnerships with financial institutions and business growth/retention in Maryland.